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C O N F I D E N T I A L LA PAZ 002387

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TAGS: [ECON](#) [PGOV](#) [PREL](#) [BL](#)
SUBJECT: GOVERNMENT MINISTER SLAMS USAID

REF: A. LA PAZ 2357

[1](#)B. LA PAZ 2374

Classified By: EcoPol chief Mike Hammer for reasons 1.4 (b) and (d).

Summary

[1](#)1. (C) Minister of the Presidency Juan Ramon Quintana made an unannounced press briefing, on August 29, in which he leveled untrue charges against USAID. Quintana presented his briefing as the government's evidence to substantiate President Evo Morales' and Vice President Alvaro Garcia Linera's recent attacks against the U.S. assistance programs (ref A). With a quaint disregard for the truth, Quintana spoke for 30 minutes -- complete with a PowerPoint presentation -- about how USAID's assistance lacks any transparent, rarely reaches Bolivians, and supports a conspiracy against the Morales administration. In addition to disparaging USAID, he threatened USAID's locally engaged Bolivian staff by warning them not to be "traitors" to their country. A toxic mixture of several factors are driving the Bolivian government's latest attacks on the USG: a desire to taken away from heightened domestic turmoil led by a growing opposition, Evo's own distrust of the United States, and perhaps a radical ideological fringe of his party that wishes to see U.S. assistance disappear to be replaced by Venezuelan aid. End Summary.

USAID Is Unilateral and Ideological)
Little Money Gets to Bolivia

[1](#)2. (SBU) Quintana began his presentation by correctly noting the two modalities of USAID's assistance projects, bilateral and unilateral aid. He then proceeded to denigrate our unilateral assistance, stating it is conducted without contracts, without consultation or Bolivian government oversight, and without any concern for Bolivia's sovereignty. Quintana argued that since seventy percent of U.S.

assistance is unilateral, at least seventy percent of U.S. assistance is not transparent. Quintana commented that the USG's assistance does not fit the philosophy of the government's national development plan and showed a lack of respect for the Bolivian people's desire for change.

13. (SBU) Quintana followed with a break down of how U.S. assistance dollars are spent, stating that most funds return to the United States and never actually get spent on development. The minister explained that forty percent of assistance goes directly to U.S. NGOs; thirty percent goes to salaries, travel, per diem and benefits for U.S. employees; while the remaining thirty percent is what goes to actual project execution, of which most goes to salaries of high-level Bolivian contractors. Attempting to boost the sensationalist nature of the presentation, he then compared the salaries of U.S. employees with that of Bolivian employees. He claimed the average American earns USD 300,000 annually while a high level Bolivian makes one-fifth to one-sixth of an American salary, yet Bolivians do the bulk of assistance work.

Focus on Democracy Projects

14. (SBU) Minister Quintana remarked that while USAID has various programs in country, his presentation would only highlight USAID's democracy programs, stating the government would provide information on other programs in the near future. Quintana correctly identified Chemonics as USAID's primary contractor for democracy programs, but then charged Chemonics and other U.S. implementing partners with simply acting as intermediaries who perform the USG's ideological bidding. He then identified sixteen separate Bolivian consultants (USAID subcontractors), who had worked in the administrations of Jorge Quiroga, Gonzalo Sanchez de Lozada, and Carlos Mesa, as evidence of the USG's effort to conspire against Morales's government.

The Final Closing Jabs) Threats to Local USAID Staff

15. (U) Prior to closing his presentation, Quintana took several swings at USAID and made veiled threats against USAID's locally engaged Bolivian staff. Quintana argued that other governments, European governments, merit Bolivia's full respect because they obey and respect the will of the Bolivian people. He continued by stating that Europeans "always inform" whereas USAID hides information from the Bolivian government. He then made a faint-hearted plea to USAID to provide the press information on its programs, arguing that only through rigorous investigation was the government able to uncover the facts about USAID. Near the end of his presentation, Quintana warned USAID's locally engaged Bolivian staff to remain "loyal to their country", not to be "traitors" or "sell out their country."

Comment

16. (C) Despite our repeated efforts to explain to the Bolivian government how we execute our programs and calls by both our governments to resolve questions via diplomatic channels, senior Bolivian officials continue to attack us in public for political advantage. As recently as August 28, Vice Minister of Foreign Affairs Hugo Fernandez apologized for the president's and vice president's attacks on our aid programs (ref B). Several motives appear to drive Minister Quintana's diatribe against our U.S. assistance programs. The government finds itself trying to deflect attention away from a number of domestic political problems. The failing of the Constituent Assembly and the more energized and growing opposition that no longer is solely organized in Bolivia's eastern departments are but two of the challenges the central government is currently facing. What better way to distract

the public's attention than to attack the United States?
President Morales and his senior advisors may be truly
paranoid of U.S. intentions. We have been told repeatedly by
senior level officials that Evo does not trust the United
States. Finally, some member of President Morales' inner
circle may simply wish to see U.S. assistance go away. This
faction likely believes Caracas will fill the void should
USAID depart. End Comment.
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